



Apr. 25, 2019

Consolidated Financial Results

For the Fiscal Year Ended March 31, 2019

<under Japanese GAAP>

Note: The accompanying consolidated financial statements were not audited since they have been prepared only for reference purpose. All statements were based on Tanshin report prepared in accordance with the provisions set forth in accounting regulations and principals generally accepted in Japan.

Name of company listed :	Nomura Real Estate Holdings, Inc.
Shares traded :	TSE (First section)
Code number :	3231
URL :	http://www.nomura-re-hd.co.jp/english/
Representative :	Eiji Kutsukake, President and Representative Director
Inquiries:	Kensuke Ueha, General Manager, Corporate Communications Dept.
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Date of Ordinary General Meeting of shareholders:	June 25, 2019
Scheduled starting date for dividend payments:	June 4, 2019
Scheduled submitting date of securities report:	June 25, 2019
Preparation of explanatory materials for financial results :	Yes
Information meetings arranged related to financial results :	Yes (for institutional investors and analysts, in Japanese)

(Values of less than one million yen rounded down)

I. Consolidated operating results for the fiscal year from April 1, 2018 to March 31, 2019

(1) Consolidated business results

(% indicates the rate of changes from previous fiscal year)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2018	668,510	7.2	79,162	3.3	69,323	1.9	45,873	(0.3)
FY2017	623,762	9.5	76,660	(0.8)	68,033	(1.3)	46,029	(2.1)

(Note) Comprehensive income: FY2018: 47,795 million yen (up 9.6%) FY2017: 43,613 million yen (down 9.5%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit margin on total assets	Operating profit margin
	Yen	Yen	%	%	%
FY2018	245.99	244.55	8.9	4.0	11.8
FY2017	240.89	239.52	9.4	4.2	12.3

(Reference) Share of profit (loss) of entities accounted for using equity method: FY2018: 167 million yen FY2017: 25 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
Mar. 31, 2019	1,759,455	541,562	29.9	2,854.21
Mar. 31, 2018	1,673,099	514,982	30.0	2,664.70

(Reference) Shareholders' equity: As of March 31, 2019: 526,748 million yen As of March 31, 2018: 501,491 million yen

(3) Consolidated cash flows

	Cash flows from (used in) operating activities	Cash flows from (used in) investing activities	Cash flows from (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2018	89,964	(46,699)	13,723	118,330
FY2017	21,498	(51,637)	43,787	61,347

II. Dividends

	Dividend per share					Total amount of dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2017	-	35.00	-	35.00	70.00	13,306	28.9	2.7
FY2018	-	37.50	-	37.50	75.00	14,001	30.5	2.7
FY2019 (Forecast)	-	40.00	-	40.00	80.00		32.1	

(Note) Revision of dividend forecasts during this quarter: None

(Note) Total amount of dividends for the fiscal year ended March 31, 2019 include dividends of ¥73 million paid to the executive compensation BIP (Board Incentive Plan) trust. The dividend payout ratio is calculated by dividing the total amount of dividends by the profit attributable to owners of parent.

III. Forecasts of consolidated operating results for the fiscal year from April 1, 2019 to March 31, 2020

(% indicates the rate of changes from previous fiscal year or term)

	Operating revenue		Operating profit		Business profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending Mar.31, 2020	739,000	10.5	79,500	0.4	80,000	0.5	70,000	1.0	46,000	0.3	251.31

(Note) Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

*** Notes**

- (1) Significant changes to subsidiaries during the period (Changes in scope of consolidation of specified subsidiaries): None
- (2) Changes in accounting policies, changes in accounting estimates and restatements
 - 1) Changes in accounting policies due to revision of accounting standards, etc. : None
 - 2) Changes in accounting policies other than the above : None
 - 3) Changes in accounting estimates : None
 - 4) Restatements : None

- (3) Number of shares issued (common stock)

	As of Mar. 31	As of Mar. 31
	2019	2018
1) Number of shares issued at end of period (including treasury shares)	192,373,101	192,155,201
2) Treasury shares at end of period	7,821,664	3,956,956
	Fiscal year ended	Fiscal year ended
	March 31, 2019	March 31, 2018
3) Average number of shares outstanding during the period	186,489,418	191,083,446

(Note) 1,725,000 shares of the Company's share owned by executive compensation BIP (Board Incentive Plan) trust are included to the number of treasury shares at end of period. 655,216 shares owned by the executive compensation BIP (Board Incentive Plan) trust are also included to the number of treasury shares deducted in the calculation of average number of shares outstanding during the period.

* This Consolidated Financial Results is not required to be audited by certified public accountants or audit corporations.

* Proper use of forecasts of financial results, and other special matters

Forward-looking statements in this document, including the forecasts of financial results, etc., are based on the information currently available to the Company and certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially from these forecasts due to various factors. For matters related to the forecasts of financial results, please refer to "1. Business Results and Financial Position (4) Forecasts" on page 6 of the Attachments.

(How to obtain the fact sheets)

The fact sheets will be disclosed on TDnet on April 25, 2019 and will be uploaded on the Company's website.

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1. Business Results and Financial Position

(1) Business Results

During the fiscal year under review, the Japanese economy continued to recover gradually with increases in consumer spending backed by continued improvements in the employment and personal income environments, and with increases in capital investment such as investments for streamlining and labor-saving amid a labor shortage, and investments in maintenance and renewal in response to the aging of facilities. Furthermore, in regard to the economic outlook, the gradual recovery is expected to continue overall due to a continued recovery in consumer spending and growth in capital investment, although it is necessary to pay careful attention to the impact of trade issues on the global economy and the impact of fluctuations in financial and capital markets.

In the real estate industry, the residential market saw sales prices continue to increase while supply volume declined due to construction costs remaining high and intensified competition for the land acquisition, and there continued to be a trend of polarization in salability based on the levels of the convenience of the regions and the properties themselves. In the office market, many deals were executed in connection with office expansion such as relocations for more space, opening of branch offices and the expansion of floor space within buildings, and declining vacancy rates and increasing rent revenue continued nationwide. In the real estate investment market, the total asset size of J-REITs was steadily expanded thanks to the increase of property acquisition accompanied by new listings and public offerings, and the appraisal of J-REITs as stable and secure investments not susceptible to the impact of international affairs was enhanced because of the favorable domestic real estate market conditions.

In this business environment, the Nomura Real Estate Group (the “Group”) posted the following consolidated performance for the fiscal year under review: Operating revenue of 668,510 million yen, which represents an increase of 44,748 million yen, or 7.2% year on year; operating profit of 79,162 million yen, an increase of 2,502 million yen, or 3.3%; ordinary profit of 69,323 million yen, an increase of 1,290 million yen, or 1.9%; and profit attributable to owners of parent of 45,873 million yen, a decrease of 155 million yen, or 0.3%.

An overview of business unit achievements is given below:

Operating revenue for each business unit includes internal sales and transfer amount among business units. Due to the rounding of fractions, total figures may not match.

From this consolidated fiscal year, Nomura Real Estate Reform Co., Ltd., which had been classified under the Residential Development Business Unit, was transferred to the Property & Facility Management Business Unit to promote business through integration into the property and facility management business. As of August 1, 2018, Nomura Real Estate Reform Co., Ltd. was merged with Nomura Real Estate Partners Co., Ltd. being the surviving company in an absorption-type merger.

In line with this change, the financial results of the fiscal year ended March 31, 2018 are calculated under the new classification.

<Residential Development Business Unit>

Operating revenue in this business unit totaled 362,761 million yen, which represents an increase of 7,315 million yen, or 2.1% year on year, and operating profit totaled 23,180 million yen, which represents a decrease of 1,343 million yen, or 5.5% year on year, resulting in an increase in operating revenue and a decrease in operating profit compared with the previous fiscal year.

This was mainly due to a decrease in gross profit in not residential development but other business owing to a decline in fees from JV projects, while there is no change in gross profit margin ratio for housing sales and there was an increase in the number of housing sales and a rise in unit sales prices.

In regard to housing sales, 5,890 units were recorded as sales (an increase of 25 units year on year), including PROUD CITY Etchujima (Koto-ku, Tokyo), PROUD TOWER Higashi Ikebukuro (Toshima-ku, Tokyo), OHANA Sobudai (Zama-shi, Kanagawa), PROUD Shirakabecho (Higashi-ku, Nagoya-shi, Aichi) for condominiums, and PROUD SEASON Senri Maruyamacho (Suita-shi, Osaka) for detached housings.

The number of housing contracted but not recorded as sales were 2,996 units as of the end of the fiscal year under review (an increase of 165 units compared with the end of the previous fiscal year). The contract progress rate for the planned 5,100 units of the next fiscal year was 49.7% at the start of the fiscal year.

Number of units, sales, and outstanding contract amount as sold for the joint-venture projects are calculated based on the Group's share.

Breakdown of operating revenue

		FY2017 (From April 1, 2017 to March 31, 2018)		FY2018 (From April 1, 2018 to March 31, 2019)	
		Housing units sold	Operating revenue (Millions of yen)	Housing units sold	Operating revenue (Millions of yen)
Housing sales	Tokyo metropolitan area	4,483 units	269,685	4,295 units	264,695
	Kansai area	716 units	34,734	830 units	40,719
	Other	666 units	32,399	764 units	36,641
	Subtotal (Detached housing)	5,865 units (607 units)	336,819 (37,898)	5,890 units (647 units)	342,055 (44,378)
Other		-	18,626	-	20,705
Total		-	355,445	-	362,761

Housing sales Period-end completed housing inventory (released for sale)

	As of March 31, 2018	As of March 31, 2019
Tokyo metropolitan area	145 units	147 units
Kansai area	75 units	62 units
Other	19 units	19 units
Total (Detached housing)	239 units (15 units)	229 units (35 units)

Housing sales Period-end completed housing inventory (unreleased)

	As of March 31, 2018	As of March 31, 2019
Total (Detached housing)	218 units (11 units)	47 units (9 units)

Housing sales Contracted but not recorded as housing sales

		As of March 31, 2018		As of March 31, 2019	
		Housing units	Outstanding contract amount (Millions of yen)	Housing units	Outstanding contract amount (Millions of yen)
Tokyo metropolitan area		2,118 units	134,060	2,204 units	156,292
Kansai area		346 units	17,872	410 units	21,694
Other		366 units	19,011	381 units	22,222
Total (Detached housing)		2,831 units (53 units)	170,944 (3,353)	2,996 units (21 units)	200,209 (1,608)

<Leasing Business Unit>

Operating revenue in this business unit totaled 167,628 million yen, which represents an increase of 32,686 million yen, or 24.2% year on year, and operating profit totaled 38,858 million yen, an increase of 3,625 million yen, or 10.3%, resulting in increases in both operating revenue and operating profit compared with the previous fiscal year.

This was mainly due to an increase in leasing revenue in leasing business and revenues of property sales in property development business.

Furthermore, the Company acquired all of the shares of Ryubundo Co., Ltd., which owns properties such as Hotel Niwa Tokyo, and its wholly-owned subsidiary UHM Co., Ltd., a hotel operating company, in March 2019.

Breakdown of operating revenue

	FY2017 (From April 1, 2017 to March 31, 2018) (Millions of yen)	FY2018 (From April 1, 2018 to March 31, 2019) (Millions of yen)
Leasing (offices)	53,312	53,975
Leasing (retail facilities)	12,686	13,817
Leasing (other)	7,193	7,946
Property development (sale)	43,301	77,090
Property development (leasing)	4,724	5,031
Other	13,722	9,766
Total	134,941	167,628

Rentable area

	As of March 31, 2018	As of March 31, 2019
Offices	846,338 m ²	784,122 m ²
Retail facilities	174,666 m ²	169,497 m ²
Total	1,021,004 m ²	953,620 m ²

Vacancy rate (offices and retail facilities)

As of March 31, 2018	As of March 31, 2019
0.7%	4.7%

<Investment Management Business Unit>

Operating revenue in this business unit totaled 9,641 million yen, which represents an increase of 263 million yen, or 2.8% year on year, and operating profit totaled 5,943 million yen, an increase of 31 million yen, or 0.5%, resulting in increases in both operating revenue and operating profit compared with the previous fiscal year.

Assets under management increased compared with the end of the previous fiscal year due to the acquisition of 75% of the shares of Lothbury, a real estate investment manager in the UK, in November 2018.

	FY2017 (From April 1, 2017 to March 31, 2018) (Millions of yen)	FY2018 (From April 1, 2018 to March 31, 2019) (Millions of yen)
Operating revenue	9,378	9,641

Assets under management

	As of March 31, 2018 (Millions of yen)	As of March 31, 2019 (Millions of yen)
REITs	1,209,259	1,290,999
Private funds, etc.	76,643	378,477
Total	1,285,903	1,669,476

<Property Brokerage & CRE Business Unit>

Operating revenue in this business unit totaled 37,298 million yen, which represents an increase of 1,595 million yen, or 4.5% year on year, and operating profit totaled 8,170 million yen, a decrease of 281 million yen, or 3.3%, resulting in an increases in operating revenue and a decrease in operating profit compared with the previous fiscal year.

This was mainly due to investments in human resources, stores and systems with looking ahead to expand the business volume.

In the retail business, we opened the following new branches: Nagoya branch (Naka-ku, Nagoya-shi, Aichi) in April 2018, Toranomom Center (Minato-ku, Tokyo) in May 2018, and Yokohama motomachi Center (Naka-ku, Yokohama-shi, Kanagawa) in October 2018.

Breakdown of operating revenue

	FY2017 (From April 1, 2017 to March 31, 2018) (Millions of yen)	FY2018 (From April 1, 2018 to March 31, 2019) (Millions of yen)
Property brokerage	31,637	33,136
Other	4,065	4,162
Total	35,703	37,298

Number of transactions and transaction value of property brokerage

	FY2017 (From April 1, 2017 to March 31, 2018)	FY2018 (From April 1, 2018 to March 31, 2019)
Number of transactions	8,561	8,922
Total transaction value (Millions of yen)	800,739	767,324

<Property & Facility Management Business Unit>

Operating revenue in this business unit totaled 107,802 million yen, which represents an increase of 3,220 million yen, or 3.1% year on year, and operating profit totaled 8,067 million yen, an increase of 988 million yen, or 14.0%, resulting in both increases in operating revenue and operating profit compared with the previous fiscal year.

This was mainly due to an increase in revenue of property and facility management with the increase in the number of properties under management and an increase in the number of members in the fitness club business.

In the fitness club business, we opened MEGALOS HIBIYA chanter (Chiyoda-ku, Tokyo) in September 2018 and MEGALOS Reflet SHINSAIBASHI (Chuo-ku, Osaka-shi, Osaka) in November 2018.

From this consolidated fiscal year, Nomura Real Estate Reform Co., Ltd., which had been classified under the Residential Development Business Unit, was transferred to the Property & Facility Management Business Unit. In line with this change, the financial results of the fiscal year ended March 31, 2018 are calculated under the new classification.

As of August 1, 2018, Nomura Real Estate Reform Co., Ltd. was merged with Nomura Real Estate Partners Co., Ltd being the surviving company in an absorption-type merger.

Breakdown of operating revenue

	FY2017 (From April 1, 2017 to March 31, 2018) (Millions of yen)	FY2018 (From April 1, 2018 to March 31, 2019) (Millions of yen)
Property & facility management	50,386	51,222
Construction ordered	31,604	32,083
Fitness club & elderly care	16,064	17,025
Other	6,526	7,469
Total	104,581	107,802

Number of properties under management

	As of March 31, 2018	As of March 31, 2019
Buildings under management	723	732
Condominiums under management (unit)	173,705	177,582

<Other Business Unit>

Operating revenue in this business unit totaled 94 million yen, which represents a decrease of 12 million yen, or 11.7% year on year, and operating loss totaled 43 million yen (operating loss of the previous fiscal year was 10 million yen).

(2) Financial Position

	As of Mar. 31, 2018 (Millions of yen)	As of Mar. 31, 2019 (Millions of yen)	Changes (Millions of yen)	Changes
Total assets	1,673,099	1,759,455	86,355	5.2%
Total liabilities	1,158,116	1,217,893	59,776	5.2%
Of which, Interest-bearing debt	(877,800)	(914,000)	(36,200)	(4.1%)
Net assets	514,982	541,562	26,579	5.2%
Shareholders' equity ratio	30.0%	29.9%		
Debt/ equity ratio	1.8	1.7		

(Note) Debt/ equity ratio = Interest-bearing debt / Shareholder's equity

Total assets were 1,759,455 million yen, which represents an increase of 86,355 million yen compared to the end of the previous fiscal year. This was mainly due to increases in cash and deposits (increased by 29,003 million yen) and securities (increased by 28,000 million yen).

Total liabilities were 1,217,893 million yen, which represents an increase of 59,776 million yen compared to the end of the previous fiscal year. This was mainly due to increases in interest-bearing debt (increased by 36,200 million yen) and notes and accounts payable-trade (increased by 12,230 million yen).

Net assets were 541,562 million yen, which represents an increase of 26,579 million yen compared to the end of the previous fiscal year. This was mainly due to the acquisition of treasury shares (decreased by 8,783 million yen) while an increase in retained earnings (increased by 32,271 million yen).

The shareholders' equity ratio was 29.9%, a decrease of 0.1 percentage point from the end of the previous fiscal year.

(3) Cash Flows

Cash and cash equivalents as of the end of the fiscal year under review totaled 118,330 million yen, which represents an increase of 56,983 million yen compared to the end of the previous fiscal year.

The state and factors associated with each cash flow of the fiscal year under review are shown below.

(Cash Flows from Operating Activities)

Net cash provided by (used in) operating activities increased by 89,964 million yen (a year-on-year increase of 68,465 million yen). This was mainly due to the payments of income taxes, while profit before income taxes totaled 65,407 million yen and inventories decreased.

(Cash Flows from Investing Activities)

Net cash provided by (used in) investing activities decreased by 46,699 million yen (a year-on-year increase of 4,938 million yen). This was mainly due to the payment for the acquisition of subsidiary shares accompanying changes in the scope of consolidation and the purchase of property, plant and equipment and intangible assets

(Cash Flows from Financing Activities)

Net cash provided by (used in) financing activities increased by 13,723 million yen (a year-on-year decrease of 30,063 million yen). This was mainly due to the procurement of funds by long-term loans payable, while there was acquisition of treasury shares and payment of cash dividends.

(4) Forecasts

<Consolidated>

We expect to post operating revenue of 739,000 million yen, operating profit of 79,500 million yen, business profit of 80,000 million yen, ordinary profit of 70,000 million yen, and profit attributable to owners of parent of 46,000 million yen for the fiscal year ending March 31, 2020.

(Note) Business profit = operating profit + share of profit (loss) of entities accounted for using equity method + amortization of intangible assets associated with corporate acquisitions

	FY2019 Forecasts (Millions of yen)	FY2018 (Millions of yen)	Changes (Millions of yen)
Operating revenue	739,000	668,510	70,489
Operating profit	79,500	79,162	337
Business profit	80,000	79,623	376
Ordinary profit	70,000	69,323	676
Profit attributable to owners of parent	46,000	45,873	126

<Forecasts by units>

Forecasts for the fiscal year ending March 31, 2020 by business unit are as follows.

From April 2019, the name of the reportable segment that was previously the Leasing Business Unit has been changed to the Commercial Real Estate Business Unit. In addition, Nomura Real Estate Life & Sports Co., Ltd. and Nomura Real Estate Wellness Co., Ltd., which had been classified under the Property & Facility Management Business Unit, were reclassified under the Commercial Real Estate Business Unit and Residential Development Business Unit, respectively, the former because it aims to promote business in conjunction with the commercial real estate business, and the latter because it aims to promote business in conjunction with the residential development business. The rental housing business, which had been classified under the Commercial Real Estate Business Unit, was reclassified under the Residential Development Business Unit to promote business in conjunction with the residential development business. In line with this change, the financial results for the fiscal year ended March 31, 2019 and forecasts of the financial results for the fiscal year ending March 31, 2020 by business unit are calculated under the new classification.

Operating revenue

	FY2019 Forecasts (Millions of yen)	FY2018 (Millions of yen)	Changes (Millions of yen)
Residential Development Business	365,000	375,373	(10,373)
Commercial Real Estate Business	242,000	171,612	70,387
Investment Management Business	12,000	9,641	2,358
Property Brokerage & CRE Business	41,000	37,298	3,701
Property & Facility Management Business	92,000	91,374	625
Other	0	94	(94)
Adjustments	(13,000)	(16,885)	3,885
Total	739,000	668,510	70,489

Business profit

	FY2019 Forecasts (Millions of yen)	FY2018 (Millions of yen)	Changes (Millions of yen)
Residential Development Business	23,500	25,032	(1,532)
Commercial Real Estate Business	38,500	38,043	456
Investment Management Business	7,000	5,969	1,030
Property Brokerage & CRE Business	9,000	8,170	829
Property & Facility Management Business	7,500	7,464	35
Other	0	(43)	43
Adjustments	(5,500)	(5,013)	(486)
Total	80,000	79,623	376

(5) Basic Policy regarding Profit Distribution and Dividends for the Current and Next Fiscal Year

The Company's payout ratio is approximately 30%, in accordance with business performance, comprehensively considering the operating environment, capital investment plans, retained earnings, and other relevant factors for the fiscal year ended March 31, 2019. The Company intends to set the year-end dividend for the fiscal year ended March 31, 2019 at 37.5 yen per share as forecasted. Combined with the second quarter-end dividend, the annual dividend per share will be 75.0 yen.

As for the fiscal year ended March 31, 2020 in Phase 1 of the Mid- to Long-term Management Plan (from fiscal year ending March 31, 2020 to fiscal year ending March 31, 2022) formulated in April 2019, total return ratio is around 40% to 50%. In regard to the dividend for the next fiscal year, the second quarter-end and year-end dividends will be 40.0 yen per share, and the annual dividend will be 80.0 yen per share.

2. Group Companies

Major business contents of the Nomura Real Estate Group and 65 affiliated companies (39 consolidated subsidiaries, and 26 affiliates and unconsolidated subsidiaries accounted for using the equity method), and consolidated subsidiaries involved in the relevant businesses, as well as the role of said consolidated subsidiaries are given below.

<Residential Development Business Unit>

- Nomura Real Estate Development Co., Ltd. is engaged in the development and sale of condominiums and detached housing.
- Prime X. Co., Ltd. is engaged in Internet advertising for the real estate and housing industries.
- First Living Assistance Co., Ltd. provides services aimed at providing assistance to customers concerning their homes and living arrangements.

<Leasing Business Unit >

- Nomura Real Estate Development Co., Ltd. develops, builds and leases office buildings and retail facilities, and engages in the entrusted management of office buildings. The Company is also engaged in the development and sale of property development for the real-estate investment market, and the planning and management of construction work.
- NREG TOSHIBA BUILDING Co., Ltd. offers service that spans the development, construction, and leasing of office buildings, housing, and retail facilities, etc., as well as consultation on corporate real estate (CRE) utilization, and the development and sale of condominiums.
- Geo Akamatsu Co., Ltd. is engaged in the design and entrusted management of retail facilities.
- Nomura Real Estate Hotels Co., Ltd. is engaged in the planning and operation of hotels.
- UHM Co., Ltd. is engaged in the planning and operation of hotels.
- NREG TOSHIBA BUILDING FACILITIES Co., Ltd. offers maintenance and cleaning services for office buildings entrusted by NREG TOSHIBA BUILDING Co., Ltd.

<Investment Management Business Unit >

- Nomura Real Estate Asset Management Co., Ltd. provides investment management services including private funds, real estate investment trusts (REITs), and real estate securitization products. Nomura Real Estate Development Co., Ltd. also has equity interest in the funds managed by Nomura Real Estate Asset Management Co., Ltd.
- Lothbury Investment Management Group Limited provides investment management services including private funds and real estate securitization products.

<Property Brokerage & CRE Business Unit >

- Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Urban Net Co., Ltd. are engaged in real estate brokerage and consulting. Nomura Real Estate Urban Net Co., Ltd. also handles consignment sales for condominium units and detached housing.

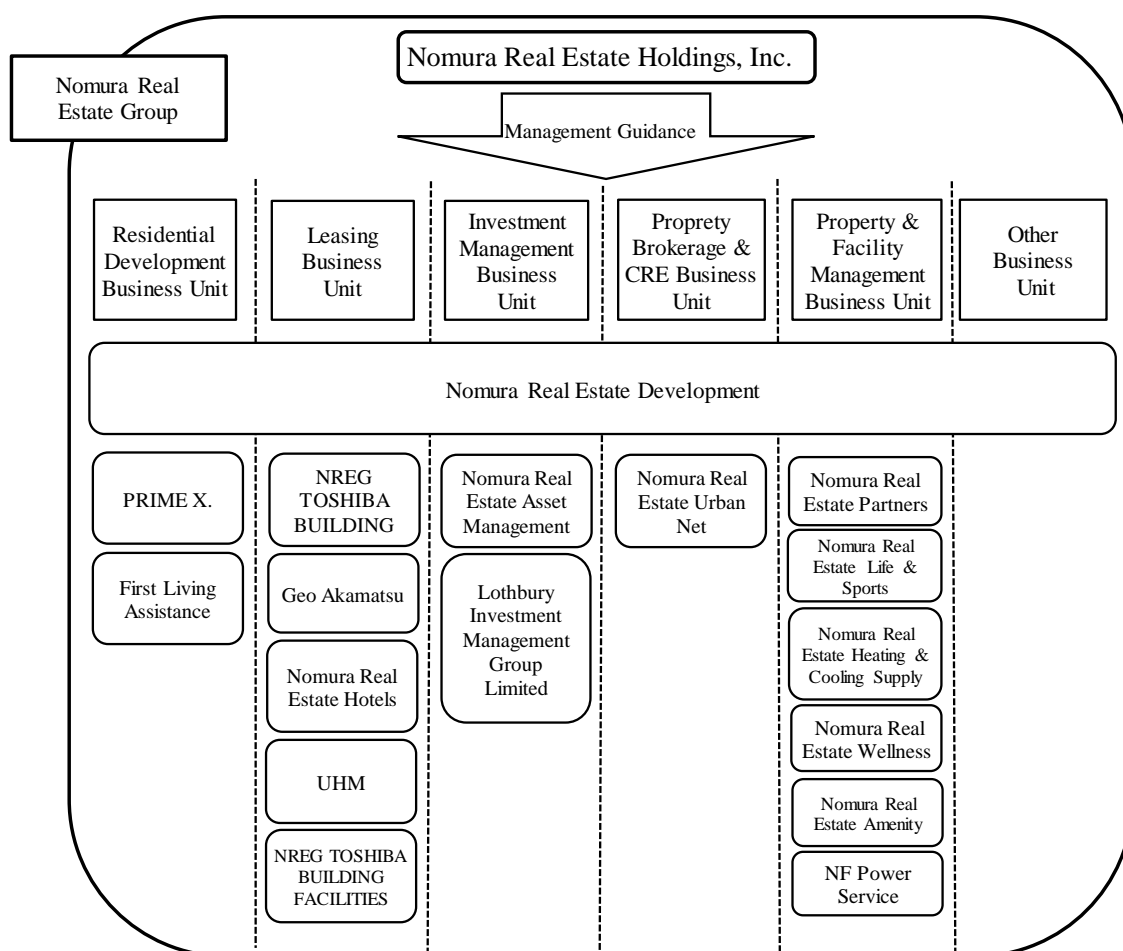
<Property & Facility Management Business Unit >

- Nomura Real Estate Partners Co., Ltd. is engaged in the entrusted management of condominiums, office buildings, and educational facilities as well as tenant construction and repairment associated with management.
- Nomura Real Estate Life & Sports Co., Ltd. manages fitness club business.
- Nomura Real Estate Heating and Cooling Supply Co., Ltd. operates a local cooling and heat supply business in Yokohama Business Park (Hodogaya-ku, Yokohama, Kanagawa).
- Nomura Real Estate Wellness Co., Ltd. is engaged in the development, planning, and operation of housing services for the elderly. Nomura Real Estate Development Co., Ltd. promotes the elderly services business conducted by Nomura Real Estate Wellness Co., Ltd., and carries out the acquisition and management of real estate for that business.
- Nomura Real Estate Amenity Service Co., Ltd. is engaged in the entrusted cleaning of office buildings, mainly from Nomura Real Estate Partners Co., Ltd.
- NF Power Service Co., Ltd. is engaged in the sale, intermediation, and supply of electric energy.

<Other Business Unit >

- Nomura Real Estate Development Co., Ltd. is engaged in the sale and lease of land and buildings.

The matters described above are shown in the following systematic business diagram.



(Note) On November 30, 2018, the Company acquired 75% of the shares of Lothbury Investment Management Group Limited and classified it under the Investment Management Business Unit. On March 1, 2019, the Company acquired all of the shares of UHM Co., Ltd. and classified it under the Leasing Business Unit. From April 2019, the name of the reportable segment that was previously the Leasing Business Unit has been changed to the Commercial Real Estate Business Unit. Nomura Real Estate Life & Sports Co., Ltd. and Nomura Real Estate Wellness Co., Ltd., which had been classified under the Property & Facility Management Business Unit, were reclassified under the Commercial Real Estate Business Unit and Residential Development Business Unit, respectively, the former because it aims to promote business in conjunction with the commercial real estate business, and the latter because it aims to promote business in conjunction with the residential development business. Furthermore, NF Power Service Co., Ltd. ceased being a consolidated subsidiary on April 1, 2019 because part of the shares was transferred.

3. Basic Policies for Selecting Accounting Standards

The Group creates consolidated financial statements in accordance with the Japanese standards taking account of comparability of the consolidated financial statements over different accounting periods and between companies. The Group will adopt International Accounting Standards, as appropriate, considering shareholder composition and the movement of other domestic companies in the industry.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	52,347	81,351
Notes and accounts receivable - trade	17,308	26,601
Securities	9,000	37,000
Real estate for sale	102,884	161,224
Real estate for sale in process	261,278	290,398
Land held for development	228,326	184,650
Equity investments	9,612	18,066
Other	36,917	50,274
Allowance for doubtful accounts	(39)	(39)
Total current assets	717,635	849,528
Non-current assets		
Property, plant and equipment		
Buildings and structures	403,011	394,979
Accumulated depreciation	(163,985)	(171,594)
Buildings and structures, net	239,026	223,385
Land	592,550	544,226
Other	26,576	29,885
Accumulated depreciation	(9,778)	(10,464)
Other, net	16,797	19,421
Total property, plant and equipment	848,374	787,033
Intangible assets	12,364	18,104
Investments and other assets		
Investment securities	42,362	50,522
Leasehold and guarantee deposits	23,131	25,448
Deferred tax assets	20,843	20,863
Other	8,387	7,956
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	94,725	104,789
Total non-current assets	955,464	909,926
Total assets	1,673,099	1,759,455

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,696	53,927
Short-term loans payable	102,300	79,500
Income taxes payable	14,993	13,318
Deposits received	18,807	26,915
Provision for bonuses	7,679	8,176
Provision for bonuses for directors (and other officers)	590	495
Provision for loss on business liquidation	36	26
Other	48,073	49,513
Total current liabilities	234,176	231,873
Non-current liabilities		
Bonds payable	140,000	140,000
Long-term loans payable	635,500	694,500
Leasehold and guarantee deposits received	60,241	59,249
Deferred tax liabilities	59,828	61,563
Deferred tax liabilities for land revaluation	3,900	3,900
Provision for loss on subleasing business	102	15
Retirement benefit liability	18,375	18,175
Provision for stocks payment	—	719
Other	5,991	7,895
Total non-current liabilities	923,940	986,019
Total liabilities	1,158,116	1,217,893
Net assets		
Shareholders' equity		
Capital stock	117,072	117,293
Capital surplus	110,316	110,537
Retained earnings	275,299	307,570
Treasury shares	(10,004)	(18,787)
Total shareholders' equity	492,683	516,613
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,516	6,718
Deferred gains or losses on hedges	262	(259)
Revaluation reserve for land	7,860	7,860
Foreign currency translation adjustment	(225)	(677)
Remeasurements of defined benefit plans	(3,605)	(3,507)
Total accumulated other comprehensive income	8,807	10,134
Share acquisition rights	2,424	2,346
Non-controlling interests	11,067	12,467
Total net assets	514,982	541,562
Total liabilities and net assets	1,673,099	1,759,455

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Operating revenue	623,762	668,510
Operating cost	※ 1 441,708	479,797
Operating gross profit	182,053	188,712
Selling, general and administrative expenses	105,393	109,549
Operating profit	76,660	79,162
Non-operating income		
Interest income	45	44
Dividend income	75	69
Share of profit of entities accounted for using equity method	25	167
Gain on donation of non-current assets	—	54
Interest on refund	162	—
Gain on transfer of right to request purchase of shares	112	—
Other	351	409
Total non-operating income	773	746
Non-operating expenses		
Interest expenses	7,334	8,753
Other	2,065	1,831
Total non-operating expenses	9,400	10,584
Ordinary profit	68,033	69,323
Extraordinary income		
Gain on sales of non-current assets	3,311	—
Gain on sales of investment securities	455	—
Total extraordinary income	3,766	—
Extraordinary losses		
Impairment loss	3,614	1,989
Loss on building reconstruction	462	835
Loss on transfer of non-current assets	—	1,091
Total extraordinary losses	4,077	3,916
Profit before income taxes	67,722	65,407
Income taxes - current	23,811	23,263
Income taxes - deferred	(2,755)	(4,385)
Total income taxes	21,055	18,877
Profit	46,666	46,529
Profit attributable to non-controlling interests	636	655
Profit attributable to owners of parent	46,029	45,873

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	46,666	46,529
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,430)	2,201
Deferred gains or losses on hedges	142	(521)
Revaluation reserve for land	(0)	(0)
Foreign currency translation adjustment	(33)	(216)
Remeasurements of defined benefit plans, net of tax	523	98
Share of other comprehensive income of entities accounted for using equity method	(254)	(296)
Total other comprehensive income	(3,052)	1,265
Comprehensive income	43,613	47,795
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	42,976	47,201
Comprehensive income attributable to non-controlling interests	636	594

(3) Consolidated Statements of Changes in Net Assets
FY2017 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	116,779	110,023	242,704	(3)	469,503
Changes of items during period					
Issuance of new shares	293	293			586
Dividends of surplus			(13,435)		(13,435)
Profit attributable to owners of parent			46,029		46,029
Purchase of treasury shares				(10,001)	(10,001)
Net changes of items other than shareholders' equity					
Total changes of items during period	293	293	32,594	(10,001)	23,180
Balance at end of current period	117,072	110,316	275,299	(10,004)	492,683

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	7,947	119	7,860	62	(4,129)	11,860	1,986	10,462	493,813
Changes of items during period									
Issuance of new shares									586
Dividends of surplus									(13,435)
Profit attributable to owners of parent									46,029
Purchase of treasury shares									(10,001)
Net changes of items other than shareholders' equity	(3,430)	142	(0)	(288)	523	(3,053)	437	604	(2,010)
Total changes of items during period	(3,430)	142	(0)	(288)	523	(3,053)	437	604	21,169
Balance at end of current period	4,516	262	7,860	(225)	(3,605)	8,807	2,424	11,067	514,982

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	117,072	110,316	275,299	(10,004)	492,683
Changes of items during period					
Issuance of new shares	221	221			442
Dividends of surplus			(13,602)		(13,602)
Profit attributable to owners of parent			45,873		45,873
Purchase of treasury shares				(8,783)	(8,783)
Net changes of items other than shareholders' equity					
Total changes of items during period	221	221	32,271	(8,783)	23,930
Balance at end of current period	117,293	110,537	307,570	(18,787)	516,613

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	4,516	262	7,860	△225	△3,605	8,807	2,424	11,067	514,982
Changes of items during period									
Issuance of new shares									442
Dividends of surplus									(13,602)
Profit attributable to owners of parent									45,873
Purchase of treasury shares									(8,783)
Net changes of items other than shareholders' equity	2,202	(521)	(0)	(451)	98	1,327	(77)	1,400	2,649
Total changes of items during period	2,202	(521)	(0)	(451)	98	1,327	(77)	1,400	26,579
Balance at end of current period	6,718	(259)	7,860	(677)	(3,507)	10,134	2,346	12,467	541,562

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	67,722	65,407
Depreciation	18,824	19,201
Impairment loss	3,614	1,989
Loss (gain) on sales of non-current assets	(3,311)	—
Loss (gain) on sales of investment securities	(455)	—
Share of loss (profit) of entities accounted for using equity method	(25)	(167)
Increase (decrease) in allowance for doubtful accounts	1	0
Increase (decrease) in provision for loss on business liquidation	(11)	(9)
Increase (decrease) in provision for loss on subleasing business	(155)	(87)
Increase (decrease) in retirement benefit liability	(555)	(291)
Interest and dividend income	(121)	(114)
Interest expenses	7,334	8,753
Decrease (increase) in notes and accounts receivable - trade	(769)	(8,922)
Decrease (increase) in inventories	(28,943)	32,938
Decrease (increase) in equity investments	(7,044)	(8,454)
Increase (decrease) in notes and accounts payable - trade	6,084	11,781
Increase (decrease) in deposits received	(10,652)	8,102
Other, net	4,566	(8,105)
Subtotal	56,103	122,023
Interest and dividend income received	94	257
Interest expenses paid	(9,425)	(8,181)
Income taxes paid	(25,274)	(24,134)
Net cash provided by (used in) operating activities	21,498	89,964
Cash flows from investing activities		
Purchase of investment securities	(4,439)	(4,971)
Proceeds from sales and liquidation of investment securities	3,491	143
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(21,544)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	520
Purchase of property, plant and equipment and intangible assets	(71,665)	(20,824)
Proceeds from sales of property, plant and equipment and intangible assets	19,589	0
Payments for leasehold and guarantee deposits	(1,148)	(649)
Proceeds from collection of leasehold and guarantee deposits	1,240	951
Repayments of lease and guarantee deposits received	(3,153)	(3,859)
Proceeds from lease and guarantee deposits received	4,189	3,219
Other, net	258	314
Net cash provided by (used in) investing activities	(51,637)	(46,699)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(11,500)	(8,000)
Repayments of finance lease obligations	(149)	(160)
Proceeds from long-term loans payable	80,000	112,500
Repayments of long-term loans payable	(60,800)	(68,300)
Proceeds from issuance of bonds	69,360	—
Redemption of bonds	(10,000)	—
Proceeds from issuance of common shares	391	122
Purchase of treasury shares	(10,048)	(8,790)
Cash dividends paid	(13,435)	(13,602)
Dividends paid to non-controlling interests	(31)	(44)
Net cash provided by (used in) financing activities	43,787	13,723
Effect of exchange rate change on cash and cash equivalents	0	(5)
Net increase (decrease) in cash and cash equivalents	13,648	56,983
Cash and cash equivalents at beginning of period	47,699	61,347
Cash and cash equivalents at end of period	61,347	118,330

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Consolidated Statements of Income)

- *1 Closing inventory is the amount after devaluation of the book value in connection with decline in profitability, and the following loss on valuation of inventories is included in the cost of sales.

(Millions of yen)

	FY2017 (From April 1, 2017 to March 31, 2018)	FY2018 (From April 1, 2018 to March 31, 2019)
	496	-

(Real Estate for Rent)

Some of the Company's consolidated subsidiaries own rental office buildings and rental retail facilities (including land) in Tokyo and other regions. Some rental office buildings are regarded as properties including the portion used as rental properties since they are used by the Company and certain consolidated subsidiaries.

The book values in the Consolidated Balance Sheet, changes during the fiscal year, and fair values of these rental properties and properties including the portion used as rental properties are as follows.

(Millions of yen)

	FY2017 (From April 1, 2017 to March 31, 2018)	FY2018 (From April 1, 2018 to March 31, 2019)
Real estate for rent		
Book value in the consolidated balance sheets		
Balance at the beginning of the fiscal year	766,973	794,478
Changes during the fiscal year	27,505	(91,246)
Balance at the end of the fiscal year	794,478	703,232
Fair value at the end of the fiscal year	946,597	878,919
Properties including the portion used as real estate for rent		
Book value in the consolidated balance sheets		
Balance at the beginning of the fiscal year	26,122	26,026
Changes during the fiscal year	(96)	98
Balance at the end of the fiscal year	26,026	26,125
Fair value at the end of the fiscal year	55,820	56,820

- (Notes) 1. Book values in the consolidated balance sheet are the amounts determined by deducting accumulated depreciation from the acquisition cost.
2. Fair values as of March 31, 2018 and 2019 are determined based primarily on values according to Real Estate Appraisal Standards (including adjustments based on certain indexes). However, if no significant fluctuations in certain appraisal values or indexes considered to appropriately reflect market values have occurred since the time of acquisition from third party or the time of the most recent appraisal, the Group bases the fair value on an amount that has been adjusted using the aforesaid values or indexes.

Income and loss on rental properties and other properties used as rental properties are as follows.

(Millions of yen)

	FY2017 (From April 1, 2017 to March 31, 2018)	FY2018 (From April 1, 2018 to March 31, 2019)
Rental properties		
Operating profit	30,409	29,169
Others (gains (losses) on sale of property, etc.)	(761)	(52)
Other properties used as rental properties		
Operating profit	1,058	1,094
Others (gains (losses) on sale of property, etc.)	-	-

(Notes) 1. As real estate of which some portions are used as rental property includes portions used by the Company and certain consolidated subsidiaries for providing services as well as management and administration, operating profit for this type of real estate is not recorded.

2. Others include gain on sales of non-current assets (3,311 million yen) and impairment loss (3,614 million yen) in the fiscal year ended March 31, 2018, impairment loss (38 million yen) in the fiscal year ended March 31, 2019.

(Segment Information)

【Segment information】

I FY2017 (From April 1, 2017 to March 31, 2018)

1. Information regarding sales, gains or losses, by reportable segment

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	354,565	132,501	9,378	33,521	93,687	623,654	107	623,762	-	623,762
Inter-segment	880	2,440	-	2,182	10,893	16,396	0	16,396	(16,396)	-
Subtotal	355,445	134,941	9,378	35,703	104,581	640,050	107	640,158	(16,396)	623,762
Segment income or losses	24,523	35,232	5,911	8,452	7,078	81,198	(10)	81,187	(4,527)	76,660
Segment assets	448,412	1,060,815	34,840	17,181	62,781	1,624,031	921	1,624,952	48,147	1,673,099
Other items										
Depreciation	345	15,809	29	436	1,525	18,145	4	18,150	674	18,824
Amortization of goodwill	-	235	-	-	29	264	-	264	-	264
Investment in affiliates accounted for using equity method	9,827	4,809	-	-	513	15,150	-	15,150	-	15,150
Increase in property, plant and equipment and intangible assets	645	69,151	26	527	2,110	72,461	2	72,464	1,111	73,575

(Notes) 1. The “Other” category represents operating segments that are not included in reportable segments.

2. (1) The deduction of 4,527 million yen shown in the adjustments column for segment profit or losses includes an increase in elimination of intersegment transactions of 2,591 million yen and a deduction of 7,199 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

(2) The addition of 48,147 million yen shown in the adjustments column for segment assets includes a deduction of 41,725 million yen for the elimination of inter-segment transactions and an addition of 89,872 million yen for corporate assets not

allocated to each reportable segment.

3. The segment profit or losses is reconciled to the operating profit stated in the consolidated financial statement.

FY2018 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Subtotal				
Operating revenue										
External customers	361,863	165,190	9,639	35,157	96,565	668,415	94	668,510	-	668,510
Inter-segment	898	2,437	2	2,141	11,236	16,716	0	16,717	(16,717)	-
Subtotal	362,761	167,628	9,641	37,298	107,802	685,132	94	685,227	(16,717)	668,510
Segment income or losses	23,180	38,858	5,943	8,170	8,067	84,219	(43)	84,176	(5,013)	79,162
Segment assets	415,826	1,110,951	42,463	28,228	64,984	1,662,454	929	1,663,384	96,071	1,759,455
Other items										
Depreciation	450	15,895	49	506	1,591	18,493	2	18,495	705	19,201
Amortization of goodwill	-	238	5	-	29	273	-	273	-	273
Investment in affiliates accounted for using equity method	19,955	7,461	-	76	519	28,012	-	28,012	114	28,127
Increase in property, plant and equipment and intangible assets	537	15,880	10	488	1,692	18,609	19	18,628	1,148	19,776

(Notes) 1. The “Other” category represents operating segments that are not included in reportable segments.

2. (1) The deduction of 5,013 million yen shown in the adjustments column for segment profit or losses includes an increase in elimination of intersegment transactions of 2,641 million yen and a deduction of 7,655 million yen for corporate expenses not allocated to each reportable segment. These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.
(2) The addition of 96,071 million yen shown in the adjustments column for segment assets includes a deduction of 49,367 million yen for the elimination of inter-segment transactions and an addition of 145,439 million yen for corporate assets not allocated to each reportable segment.
3. The segment profit or losses is reconciled to the operating profit stated in the consolidated financial statement.

【Notes relating to changes in reportable segments etc.】

From this consolidated fiscal year, Nomura Real Estate Reform Co., Ltd., which had been classified under the Residential Development Business Unit, was transferred to the Property & Facility Management Business Unit.

The segment information for the previous consolidated fiscal year is prepared and disclosed based on the calculation methods after this change.

【Related information】

FY2017 (From April 1, 2017 to March 31, 2018)

Information by major customer

Information by major customer is omitted because there is no specific external customer that accounts for 10% or more of operating revenue in the consolidated statements of income.

FY2018 (From April 1, 2018 to March 31, 2019)

Information by major customer

(Millions of yen)

Name of customer	Operating revenue	Relevant segment
Nomura Real Estate Master Fund, Inc.	73,523	Leasing business unit

【Impairment loss on noncurrent assets by reportable segment】

FY2017 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	3,614	-	-	-	3,614

FY2018 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Residential Development	Leasing	Investment Management	Property Brokerage & CRE	Property & Facility Management	Total
Impairment loss	-	1,989	-	-	-	1,989

(Per Share Information)

	FY2017 (From April 1, 2017 to March 31, 2018)	FY2018 (From April 1, 2018 to March 31, 2019)
Net assets per share	2,664.70 yen	2,854.21 yen
Basic earnings per share	240.89 yen	245.99 yen
Diluted earnings per share	239.52 yen	244.55 yen

(Note) The basis for the calculation of basic earnings per share and diluted earnings per share is as follows.

	FY2017 (From April 1, 2017 to March 31, 2018)	FY2018 (From April 1, 2018 to March 31, 2019)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	46,029	45,873
Profit not attributed to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent available to common stock (Millions of yen)	46,029	45,873
Average number of common stock during the period (Thousand shares)	191,083	186,489
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Millions of yen)	-	-
Increase in number of shares of common stock (Thousand shares)	1,088	1,097
Of which, stock acquisition rights (Thousand shares)	1,088	1,097
Description of potentially dilutive common shares not included in the computation of diluted earnings per share because of their anti-dilutive effect	Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2013 (Number of rights: 2,343) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2015 (Number of rights: 3,761)	Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2013 (Number of rights: 2,188) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2015 (Number of rights: 3,705) Nomura Real Estate Holdings, Inc. the 5th Stock Acquisition Rights in FY2015 (Number of rights: 230) Nomura Real Estate Holdings, Inc. the 3rd Stock Acquisition Rights in FY2017 (Number of rights: 4,514)

(Note) For the purposes of calculating net assets per share, the Company's shares owned by the executive compensation BIP (Board Incentive Plan) trust are included in the treasury shares deducted from the total number of shares issued at end of period. In calculating the basic earnings per share and diluted earnings per share, the said shares are included in the treasury shares deducted in the calculation of the average number of shares outstanding during the period. For the fiscal year ended March 31, 2019, the number of the treasury shares at end of period deducted in calculating net assets per share was 1,725 thousand shares, and the average number of treasury shares outstanding during the period deducted in calculating the basic earnings per share and diluted earnings per share was 655 thousand shares.

(Significant Subsequent Events)

Not applicable